

**Looking Toward**

**2010**

So what can we expect of the Utah economy in 2010? Improvement, but not necessarily a complete removal of the recession's negative effects. The Utah job losses are currently deep enough that yes, the overall job situation is expected to improve throughout 2010, but the gains may not come at a quick enough pace to counter the job losses still to be recorded during the beginning of the year.

There are two possibilities going forward for the national economic recovery. We focus upon the national recovery, even though the focus of this article is upon Utah, because whatever happens within the national economic environment will be what largely happens in Utah. It was the national economic malaise that pulled Utah into this downturn, and it will be a bettering of the national picture that will lift Utah out.

The two economic possibilities are a slow and steady national recovery, and


the other a faltering in the recovery leading to a slip in the Gross Domestic Product and more job losses, followed by an eventual recovery. The latter scenario is a W-shaped recovery, where there is an initial but short lived movement upward, followed by another period of decline, to be followed by an eventual and sustainable recovery (which, when graphed, forms a W shape).

The underlying assumption in this forecast is that a straight but tepid recovery will develop. The possibility of a W-shaped scenario is quite within the realm of possibility, however. After all, the current signs of recovery are largely being driven by federal government spending, which, in the long run, is artificial stimulation.

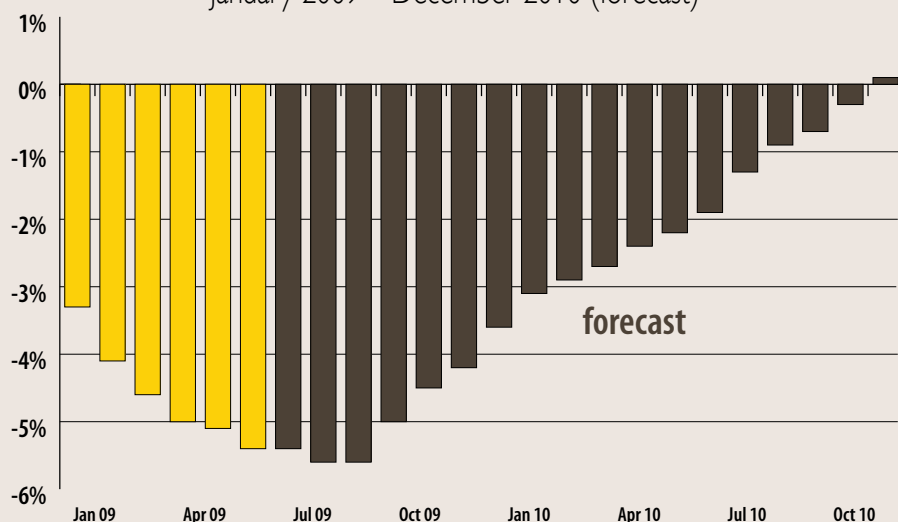
Consumers and business must be willing and able to carry the economic baton once the federal stimulus gives way. It is anticipated that they will, but in this environment, nothing is certain.

If the W-shaped scenario does not develop, then it is anticipated that job growth will begin in Utah sometime during the first half of 2010. Once job growth starts, it will be slow at first, but as the year progresses, more of the strengthening economic picture will be unveiled. This should elevate the overall feel of the economy, hopefully resulting in more business confidence in the economy and a more robust hiring picture by year's end.

We anticipate the Utah employment picture of calendar-year 2010 will show a job loss of 1.8 percent. By the time December 2010 arrives, we expect that the Utah job picture will have crossed to the positive side of the ledger and job growth will now be recorded moving forward into 2011.

Yes there will be a job movement upward during much of 2010, but the magical zero line will probably not be achieved and crossed until the end of the year. 

12-Month Percentage Change in Utah Employment by Month  
January 2009 – December 2010 (forecast)



Source: Utah Department of Workforce Services.

What will Utah's job growth be in the year 2010? We see two possibilities in this forecast.